

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7614**

**BILL NUMBER:** HB 1696

**NOTE PREPARED:** Jan 13, 2003

**BILL AMENDED:**

**SUBJECT:** Health facility reimbursement and bed licensing fee.

**FIRST AUTHOR:** Rep. Crawford

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Requires the office of Medicaid policy and planning (office): (1) to use additional federal funds for the state Medicaid program received through intergovernmental transfers and other methods involving health facilities to supplement Medicaid reimbursement for health facilities; (2) to modify Medicaid reimbursement for health facilities to remove expenses for property taxes from the capital rate component and calculate the expenses in a new rate component; (3) to calculate administrative and professional liability components of the case mix reimbursement as specified; (4) to recalculate, publish, and pay Medicaid reimbursements as specified; (5) to modify the Medicaid case mix reimbursement system for health facilities and reimburse health facilities as specified; (6) to reimburse health facilities that elect to increase wages or benefits, and pay bonuses to certain personnel as specified; and (7) to amend and adopt specified administrative rules. Establishes the eldercare trust fund consisting of funds to be collected from health facilities as a bed licensing fee of \$6 for each patient day in the health facility. Requires the state's rate setting contractor to: (1) use the most recent completed year when calculating medians and provider rates; (2) calculate the median for each rate component each quarter using all cost reports received by the state within a specified timeframe; and (3) include in the calculation of the administrative medians and the health facility's reimbursement rates the initial amount of the licensing fee paid by the health facility. Prohibits the office from repealing or amending specified administrative rules. Voids LSA Document #02-13(F) concerning Medicaid reimbursement of health facilities.

**Effective Date:** Upon passage; March 31, 2003 (retroactive).

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Kathy Norris, 317-234-1360